



Ninety-Seventh Legislature - Second Session - 2002
Committee Statement
LB 1110

Hearing Date: January 29, 2002

Committee On: Urban Affairs

Introducer(s): (Hartnett, D. Pederson)

Title: Change service awards for voluntary emergency responders

Roll Call Vote – Final Committee Action:

- X Advanced to General File
 - Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

- 7 Yes Senators Hartnett, Connealy, Janssen, McDonald, Preister,
 Redfield & Synowiecki
 - No
 - Present, not voting
 - Absent
-

Proponents:

Senator D. Paul Hartnett
Paul Pedersen
Jerry Stilmock
Lynn Rex

Representing:

Introducer
North Platte Fire Department
NE State Vol Firefighters Assoc
League of NE Municipalities

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

This bill would change certain provisions relating to the terms of qualification for service award benefit programs under the Volunteer Emergency Responders Recruitment and Retention Act. It is applicable to first and second class cities and villages with volunteer fire departments and rural and suburban fire protection districts.

The Volunteer Emergency Responders Recruitment and Retention Act was developed over several years to provide a mechanism for encouraging individuals to join and stay involved in local emergency response activities (as firefighters or emergency medical personnel).

The Act permits cities and villages with volunteer departments and rural or suburban fire protection districts to establish “service award benefit programs” to recognize years of active

service by volunteers with a small “pension” benefit when they reach age 65. Funds would be set aside for each year in which a volunteer was active and invested and when the individual reached age 65, the sums set aside plus interest would be available in a lump sum or as an annuity.

The funds set aside would be tax deferred based upon Congressional action in the 90’s to encourage such programs.

The original intent of the Act was that the state would provide some matching assistance to help fund these programs. With the passage of LB 808 in the last legislative session, the program became exclusively local with no state oversight or involvement in administration or funding.

The two major changes in the bill eliminate some ambiguous language which has caused some communities to question their authority or ability to set up programs.

First, the definition of “volunteer” is amended to remove the qualification that a volunteer, in order to qualify as such, must receive “no remuneration.” Remuneration is a broad term extending to almost any item of value provided to a volunteer by reason of his or her service. The change proposed would not permit “paid” firefighters to participate: a volunteer would still need qualify under the cited provision of the Internal Revenue Code as a “bona fide volunteer”: “(i) Bona fide volunteer: An individual shall be treated as a bona fide volunteer for purposes of subparagraph (A)(ii) if the only compensation received by such individual for performing qualified services is in the form of - (I) reimbursement for (or a reasonable allowance for) reasonable expenses incurred in the performance of such services, or (II) reasonable benefits (including length of service awards), and nominal fees for such services, customarily paid by eligible employers in connection with the performance of such services by volunteers.”

Second, the qualification that a body seeking to offer a service award benefit program must be one which “places its primary reliance for emergency response services on” on volunteers is amended. The qualification requires a value judgment by the body with little statutory direction as to intent. It can be argued that when a department is part “paid” and part “volunteer” the primary “reliance” may be on the paid members to insure that all community needs are met. The change insures that such paid/volunteer combination departments can create programs for their volunteer members.

Explanation of amendments, if any:

Senator D. Paul Hartnett, Chairperson